

LGA

Information Series

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INTRODUCTION

Every ten years, the U.S. Bureau of the Census conducts a national census. The last such Decennial Census, taken in 1970, provided an official count of the population of all Illinois localities.

While this count of population is automatically updated every ten years, local governments throughout Illinois are increasingly electing to have their population recounted in the interim between the Decennial Censuses. Since the 1970 census, approximately 300 Illinois local governments authorized a Special Census.

What is the advantage of a Special Census? Most immediately, it provides a local government with a current count of its population. If the population has increased, this will lead to an increase in those local government revenues which are based upon population.

A few examples can demonstrate this potential revenue impact:

The Village of Pawnee paid \$1,100 for a Special Census in 1975 and found that its population had increased from 1,936 to 2,444. As a result, the village anticipates an increase in motor fuel and state income tax rebates of \$49,397 before the 1980 census.

The City of Girard determined through a Special Census that its population had increased by 217 persons. That change in the official count produced a \$4,300 annual revenue increase, or a projected increase of approximately \$22,000 before the 1980 census is certified.

The Tazewell County auditor has estimated that the county will receive about \$36,000 more annually (\$150,000 through 1980) as a result of a recent Special Census conducted in the unincorporated areas. The census, which cost \$16,500, revealed an increase of about 3,600 persons.

This publication is designed to answer many of the questions that Illinois local officials have about the Special Census. It focuses on the basic procedural steps, along with some details regarding whether and when it would be advantageous for a local government to consider a Special Census.

We hope that you will find the information presented to be interesting and useful. The staff of the Department of Local Government Affairs will be pleased to provide any assistance or answer any additional questions that you might have.

Q: WHAT IS A SPECIAL CENSUS?

A: A Special Census is a federally supervised count of population within a specific geographic area. It may be requested by cities, towns, villages, counties, townships, or school districts which need up-to-date census figures.

Q: WHAT IS ITS PURPOSE?

A: Most frequently, the Special Census insures, that a unit of local government is receiving its lawful proportion of aid from the state or federal government. For example, a municipality, assuming its population has increased, may request a Special Census to enlarge its tax rebates from the state.

School districts or other public bodies can also use the results of a Special Census for planning or other purposes.

Q: HOW MIGHT POPULATION INCREASE?

A: In addition to increases due to new residents, the annexation of populated territory may expand the local government's census count.

Q: WHO CONDUCTS THE SPECIAL CENSUS?

A: The Bureau of the Census (U.S. Department of Commerce) conducts the federal Special Census under Section 8(b) of Title 13, U.S. Code.

Q: WHAT LOCAL REVENUES MAY INCREASE AS A DIRECT RESULT OF A SPECIAL CENSUS?

A: There are two major sources: the state income tax rebate and the state motor fuel tax rebate. In a few instances, the federal general revenue sharing allocation may be increased.

State Income Tax Rebate:

One-twelfth of the new revenue from the state income tax is distributed monthly to municipalities and counties on a per capita basis. The total population of a municipality is used for this purpose. However, only the population of the unincorporated area is used for a county. During FY 76, this rebate was approximately 91.2 cents per capita per month or \$10.95 per capita annually.

State Motor Fuel Tax Rebate:

A state tax is collected on each gallon of motor fuel sold in Illinois. The revenue is placed in the Motor Fuel Tax Fund from which municipalities, counties, road districts, and the Illinois Department of Transportation receive monthly allocations to finance road construction and maintenance. For FY 76, the municipal share of this tax was estimated at 95.8 cents per capita monthly or \$11.50 per capita annually.

Federal Revenue Sharing:

The formula used to compute a local government's revenue sharing allocation is a complex combination of population, local tax effort, and relative income. This makes it difficult to predict a change in allocations. In addition, current revenue sharing legislation will expire by the end of 1976. If the law is reenacted, the local government may find it beneficial to contact the Office of Revenue Sharing to determine whether the estimated new population count would produce an increase in its revenue sharing allocation.

Office of Revenue Sharing
2401 E Street, N.W.
Washington, D.C. 20226
Phone: 202/643-5179

Q: DOES THE SPECIAL CENSUS AFFECT THE DISTRIBUTION OF SALES TAX MONIES?

A: No. Sales tax monies received by units of local government from the state do not represent shared revenues. Such funds are only **collected** by the state for those local governments which have adopted a retailer's occupation tax or a service occupation tax (commonly known as the sales tax) by local ordinance. These revenues are based solely upon retail and service sales. **Therefore, the results of a Special Census will not affect the sales tax collected and returned to a local government.**

Q: WHAT IS THE EFFECT OF THE NEXT DECENNIAL CENSUS?

A: The 1980 Decennial Census will update, without cost, all census data. This will alter state and federal population based allocations to a local government if its count has changed. However, there is a common misconception concerning the timing of the Census's results. The next Decennial Census will not be initiated until April, 1980. Furthermore, the results are not projected to be available until March or April of 1981. This delay accentuates the potential benefit of a Special Census by adding another 15 to 17 months to the life of Special Census results. (An example is given on Page 5)

Q: HOW CLOSE TO THE DECENNIAL CENSUS MIGHT A SPECIAL CENSUS BE BENEFICIAL?

A: As late as 1969 many local governments, anticipating the lag in the 1970 Decennial Census results, requested Special Censuses. Results: a gain in net revenue they would not otherwise have received during the period between the Special Census and the finalizing of the Decennial Census.

Q: CAN A CENSUS CONDUCTED BY A LOCAL GOVERNMENT, IN CONTRAST TO THE FEDERALLY SUPERVISED SPECIAL CENSUS, PROVIDE A SUFFICIENT BASIS FOR STATE OR FEDERAL ALLOCATIONS TO LOCAL GOVERNMENTS?

A: A locally conducted census is considered adequate only for the distribution of motor fuel tax funds and, then, only when limited to an annexed area.

To obtain an increase in MFT funds (as a result of a population increase due to annexation only), the Illinois Department of Transportation requires the submittal of three forms. The first is an ordinance providing for the taking of the local census, approved by the municipal board or council. The second is an affidavit executed by the municipal clerk and attached to the ordinance. The last is an affidavit signed by the municipal president or mayor and the municipal clerk attested to by a notary public, giving the date of the census and population of the municipality. These forms may be obtained by contacting the Illinois Department of Transportation at the address shown on Page 4.

Motor fuel tax funds may not be used to pay for the cost of conducting the census.

Newly incorporated municipalities should contact the Illinois Department of Transportation to become eligible for MFT rebates, otherwise, a locally taken census is insufficient for any other state or federal allocation purposes.

Q: ARE THERE OTHER ACTIVITIES THAT MIGHT BE AFFECTED BY A POPULATION INCREASE RECORDED BY A SPECIAL CENSUS?

A: Yes. Participation in some federal and state programs is tied to population levels. Some examples:

The federal **Comprehensive Employment and Training Act**: municipalities with a population over 100,000 are considered Prime Sponsors. These local governments may establish and operate their own program and receive direct allocations of federal funds.

The federal **Housing and Community Development Act** sets the population min-

imum at 50,000 for municipalities and 200,000 for counties in order to be eligible for so-called "entitlement funds" that are distributed on a formula basis.

Illinois Municipal Retirement Fund (IMRF). If a municipality - not participating in the social security program - reaches a population of over 5,000, it is then required to participate in the **IMRF**.

Eligibility for participation in most loan and grant programs of the Farmers Home Administration (**FmHA**) of the U.S. Department of Agriculture is limited to communities of 10,000 population or less.

Any municipality which has a population greater than 25,000 is, by definition, a home rule unit, unless referendum approval is given to become a non-home rule unit.

Q: IF A SPECIAL CENSUS FINDS A POPULATION LOWER THAN THE ORIGINAL , WILL LESS FUNDS BE FORTHCOMING?

A: Yes. If a Special Census finds a population lower than the original count (1970 census or last Special Census), there will be a decrease in revenues. The Illinois Office of Secretary of State requests all Special Census results and will certify the findings to all state agencies.

A lesser than anticipated population count is estimated to have occurred in only 2 percent of the Special Censuses taken in Illinois in the last 10 years. It usually happens when an area experiences many of the symptoms associated with population growth, such as extensive home building, yet the average number of residents per dwelling has decreased. **Therefore a local government should carefully study the indicators of population change.**

Q: WHO IS COUNTED IN A SPECIAL CENSUS?

A: The enumeration is conducted under the rules which apply to the federal Decennial Census. Members of the Armed Forces living and stationed in the community are included. Individuals who have entered the Armed Forces from the specific city or town and who are now stationed elsewhere are **not** included. Visitors who are staying in the area for only the summer or winter are not counted unless they are working in the area or have no usual residence elsewhere. **Persons enrolled in colleges or uni-**

versities are counted at the place where they reside while attending college. Institutionalized persons domiciled in the area at the time of the special census are counted e.g.; nursing homes, penal institutions, mental hospitals.

Q: WHAT ELEMENTS ARE ENUMERATED?

A: The normal enumeration includes the name, relationships to head of household, age, sex, and race of each individual.

Q: CAN SPECIAL TABULATIONS BE ADDED?

A: Yes, but at additional costs. These are available in the form of statistical summaries only, so that released information will not disclose any individual's identity.

Special tabulations may take two forms. First, the local government may request additional questions. Inquiries might concern, for example, income levels, car ownership, or plumbing facilities. However, each question must be approved by the Bureau of the Census and be in a form consistent with mass survey techniques.

Cross-tabulations, the second type, are available if requested prior to the initiation of the census. This produces tabular data comparing the enumerated elements. For instance, results might chart the sex of the head of household, age groups by race, or age groups of dependents.

Q: WHAT ARE SOME INDICATORS OF POPULATION CHANGE?

A: Local officials may look to a number of indicators - for example: school enrollments, wheel tax stickers, building permits, water service connections, postal deliveries, or real estate listings. Annexation of territory which included a significant number of residents is another indicator. However, the need for a Special Census depends solely on the judgement of the individual government requesting it.

Q: WHAT IS THE COST OF A SPECIAL CENSUS?

A: The Bureau of the Census provides, upon request, a cost estimate to the local government. The cost is based upon the estimated population and the type of area covered. Costs in urban areas are higher on a per capita basis than those in rural areas.

The Bureau of the Census has provided the following chart for estimating the cost of a Special Census:

Estimated Population to be Counted:	Estimated Total Cost:
100.	\$835
500.	\$1,075 to 1,085
1,000	\$1,355 to 1,375
5,000	\$2,745 to 2,870
10,000	\$5,340 to 5,530
20,000	\$9,050 to 9,680
30,000	\$12,785 to 13,775
40,000	\$16,360 to 17,685

The direct cost of the Special Census is paid to the Census Bureau. Other costs, such as those for locally needed personnel, are paid by the governmental unit upon certification by the Bureau's representative. Local officials should not send any money to the Bureau until they have received an official cost estimate.

The final fee will be determined on the basis of the total population reported in the Special Census. If the count is less than the figure on which the initial fee was based, an appropriate refund is made. If it is greater, the local government is billed the difference.

A standard charge is not used either for communities of over 50,000 population or for entire counties. An individual estimate of the total cost is prepared for these governments, with final charges based on the cost incurred.

Q: WHAT IS EXPECTED OF THE LOCAL GOVERNMENT?

A: The local government must pay all expenses. These may exceed the Bureau's cost estimate, especially if the counted population is larger than assumed. It is also expected to provide office space, furniture, telephones, and any other required equipment. The census supervisor will hire local people to aid his work; his hiring decisions are final.

Q: HOW DO THE RESULTS OF THE SPECIAL CENSUS BECOME FIGURED IN STATE ALLOCATIONS?

A: The Bureau of the Census automatically sends the results to the Illinois Secretary of State. This office certifies the new count, allowing state agencies to employ the results in their allocations to local governments.

Q: ONCE THE ILLINOIS SECRETARY OF STATE CERTIFIES THE RESULTS OF A SPECIAL CENSUS, WHAT MUST THE LOCAL GOVERNMENT THEN DO?

A: **For state income tax rebates,** there are no other formal requirements placed on the local government. Once certified, the new count is reflected in this allocation. However, should you have any questions, contact:

Fiscal Management and Budget Section
State Income Tax Distribution
Department of Local Government Affairs
303 East Monroe Street
Springfield, Illinois 62706
Telephone: 217/782-3592

For motor fuel tax allocations, the municipality must furnish the Illinois Department of Transportation with a copy of the certification, signed by the Director of the Census. **This is a formal requirement.**

Motor Fuel Tax Office
Bureau of Local Roads and Streets
Illinois Department of Transportation
Highway Administration Building
2300 Dirksen Parkway
Springfield, Illinois 62764

(Note: Only municipalities receive motor fuel tax allocations on a population basis. A Special Census therefore will not influence this allocation for road districts or counties.)

For federal revenue sharing allocations, there are no other formal requirements. However, to ensure that revenue sharing allocation records are kept current, a letter indicating the Special Census results should be sent to:

Office of Revenue Sharing
2401 E Street, N.W.
Washington, D.C. 20226

Q: WHAT IS THE LENGTH OF TIME BETWEEN THE REQUEST FOR A SPECIAL CENSUS AND CERTIFICATION BY THE ILLINOIS SECRETARY OF STATE?

A: This will vary depending upon the number of current requests for Special Censuses. Past experience suggests that the time ranges from six to nine months. When requesting an official cost estimate, you might also inquire as to an expected starting date.

**Q: HOW DOES A LOCAL GOVERNMENT ESTIMATE IF
A SPECIAL CENSUS WILL BE FINANCIALLY BENEFICIAL?**

A. These are suggested steps:

This is an example (for a municipality).

Step 1: Determine the most current population count; either the 1970 Census of population or the results of last Special Census. This can be determined by contacting the Illinois Secretary of State:

Office of the Secretary of State
Commercial Department
Index Division
Capitol Building
Springfield, Illinois 62706

Anytown, Illinois had a 1970 census of 3,500.

Step 2: Estimate the increase in population since the last census, either Decennial or Special.

Using the suggested indicators of growth shown on Page 3, Anytown estimates a population increase of 800. This produces a current estimated population of 4,300.

Step 3: Estimate the cost of the Special Census, using chart on Page 4.

Anytown estimates the cost to be \$2,200, based upon an estimated population of 4,300 persons.

Step 4: Estimate the additional state tax rebates per month:

a. State income tax rebate @ \$.912 per capita per month multiplied by increase in population.

\$.912 multiplied by 800 = \$729.60

b. State motor fuel tax rebate @ \$.958 per capita per month multiplied by increase in population.

\$.958 multiplied by 800 = \$766.40

a + b = total increase in state rebates per month.

\$1,496.00

Step 5: Determine the number of months between the time the results of the Special Census are certified and the effective date of the 1980 Census. This date is projected to be April of 1981.

Anytown: request Special Census on 7/76

(Note: As earlier mentioned, it takes approximately six to nine months from the time the Special Census is requested to its certification.)

Results should be certified for use on 1/77

Therefore, the results of Anytown's Special Census should be applicable for 52 months.

Step 6: Multiply the total increase in state allocations per month (Step 4) by the number of months (Step 5). This total represents the expected additional revenues from the Special Census.

\$1,496 multiplied by 52 months = \$77,792

Step 7: Compare the cost of the Special Census, as projected in Step 3, to the expected additional revenues in Step 6. This total represents the net gain or loss from the Special Census.

\$77,792 minus \$2,200 = \$75,592 over the 52 month period, or approximately \$17,439 annually.

Notes: a) The foregoing assumes current levels of state rebates and allocations.

b) To project revenues for counties, delete the motor fuel tax allocations and consider changes in the population of unincorporated areas only.

c) The foregoing does not include federal revenue sharing allocations that might increase due to a Special Census. This might be projected by contacting the Office of Revenue Sharing. However, the decision to authorize a Special Census should not depend upon the additional revenue sharing monies due to the uncertain future of the authorizing legislation. In most instances, the net gain or loss will be dramatic without federal revenue sharing projections.

Q: HOW IS THE SPECIAL CENSUS INITIATED?

A: An authorized official of the local government should write to the Bureau of the Census giving the estimated population to be counted and requesting a cost estimate.

The request should be sent to:

Special Census Branch
Demographic Census Staff
Bureau of Census
Washington, D.C. 20233

A Special Census is allowed only with the authorization of the appropriate local government.

Q: HOW OFTEN MAY A SPECIAL CENSUS BE CONDUCTED?

A: The Bureau of the Census does not limit this. However, the Illinois Revised Statutes, Chapter 24, Sec. 1-7-1, restricts the municipal census to no more than once each year.

Q: WHO MAY I CONTACT FOR MORE INFORMATION?

A: Edna Kuhlmann
55 East Jackson, Suite 1304
Bureau of the Census
U.S. Department of Commerce
Chicago, Illinois 60605
(312) 353-5116

Department of Local Government Affairs
160 North LaSalle, Room 300
Chicago, Illinois 60601
(312) 793-4856

Department of Local Government Affairs
303 East Monroe
Springfield, Illinois 62706
(217) 782-7564 or (217) 782-5883

Department of Local Government Affairs
Illinois Regional Office Building
2209 West Main
Marion, Illinois 62959
(618) 997-4371 (Ext. 328)

Department of Local Government Affairs
203 West Main
Collinsville, Illinois 62234
(618) 344-5756

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